

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 RSC-01 SIL-01 DODE-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SPC-03 SS-20 USIA-15 DRC-01 /133 W

----- 111270

R 042030Z MAR 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0855

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION BERLIN

USMISSION GENEVA

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 03468

E. O. 11652: N/A

TAGS: GW, ELAB

SUBJECT: WAGE NEGOTIATIONS IN THE METAL INDUSTRY

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REF: BONN 02495

1. SUMMARY. METALWORKERS IN FIVE LAENDER HAVE RATIFIED AGREEMENTS PROVIDING AN 11 PERCENT WAGE INCREASE RETROACTIVE TO JANUARY 1, AN ADDITIONAL 2 PERCENT ON NOVEMBER 1, PLUS OTHER BENEFITS WHICH WILL INCREASE LABOR COSTS BY 14 TO 15 PERCENT. HOWEVER, THE POSSIBILITY OF STRIKES BY METALWORKERS IN OTHER AREAS STILL EXISTS END SUMMARY.

2. WAGE NEGOTIATIONS IN THE METAL INDUSTRY ARE GOING ESPECIALLY SLOWLY THIS YEAR. MEETINGS BETWEEN EMPLOYERS AND UNION NEGOTIATORS REPRESENTING OVER 4 MILLION METALWORKERS BEGAN ALMOST TWO MONTHS AGO. BOTH SIDES STALLED UNTIL THE PUBLIC SERVICE UNIONS REACHED AN AGREEMENT WITH THE FEDERAL, STATE AND LOCAL GOVERNMENTS ON FEBRUARY 13, BUT AGREEMENTS IN THE PUBLIC SERVICES DID NOT LEAD TO FASTER PROGRESS IN THE METAL INDUSTRY..

3. SO FAR FIVE AGREEMENTS HAVE BEEN REACHED, THREE THROUGH VOLUNTARY CONCILIATION. ON FEBRUARY 27, EMPLOYER AND EMPLOYEE ORGANIZATIONS IN NORTH RHINE-WESTPHALIA RATIFIED AN AGREEMENT GRANTING 1.2 MILLION METALWORKERS A WAGE PACKAGE WHICH WILL INCREASE LABOR COSTS BY 14 TO 15 PERCENT. THE AGREEMENT PROVIDES AN 11 PERCENT WAGE INCREASE RETROACTIVE TO JANUARY 1, AN ADDITIONAL 2 PERCENT ON NOVEMBER 1, TWO ADDITIONAL DAYS OF ANNUAL LEAVE AND AN INCREASE IN THE LEAVE BONUS FROM 30 PERCENT TO 50 PERCENT OF ONE MONTH'S WAGE. THERE WILL ALSO BE AN UPWARD ADJUSTMENT FOR THE LOWER WAGE BRACKETS AND A WAGE INCREASE FOR APPRENTICES. THE AGREEMENT WILL BE VALID UNTIL DECEMBER 31, 1974. METALWORKERS IN HESSE AND SAARLAND APPROVED A SIMILAR CONCILIATION AGREEMENT. EMPLOYEES AND EMPLOYERS IN LOWER SAXONY AND BERLIN REACHED SIMILAR SETTLEMENTS THROUGH COLLECTIVE BARQAININQ WITHOUT RESORTING TO CONCILIATION.

4. WITH THE EXCEPTION OF SOUTH WUERTTEMBERG-HOHENZOLLERN, WHERE CONCILIATION PROCEEDINGS ARE STILL CON-

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TINUING, NEGOTIATIONS IN THE OTHER REGIONS AND WITH VOLKSWAGEN HAVE BEEN SUSPENDED OR BROKEN DOWN. THE DANGER OF STRIKES STILL EXISTS. CONCILIATION

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DISCUSSIONS ENDED IN SCHLESWIG-HOLSTEIN AFTER EMPLOYERS

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REJECTED A PROPOSAL BY THE CONCILIATION BOARD CALLING FOR A 13.5 PERCENT WAGE INCREASE AND THE UNION IS EXPECTED TO SCHEDULE A STRIKE VOTE. IN BREMEN, THE EMPLOYERS ASSOCIATION REJECTED THE RECOMMENDATION BY THE CONCILIATION BOARD FOR A 14 PERCENT WAGE INCREASE AND INCREASED FRINGE BENEFITS WHICH WOULD HAVE EQUALED AN INCREASE OF 15.5 PERCENT AND OFFERED INSTEAD TO SETTLE ON THE BASIS OF THE AGREEMENT IN NORTH RHINE-WESTPHALIA. BUT THE UNION REJECTED THIS OFFER, AND 94 PERCENT OF THE UNION MEMBERS APPROVED A STRIKE WHICH IS SCHEDULED TO BEGIN ON MARCH 6.

5. COMMENT. LEADERS IN THE METALWORKERS UNION ARE PROBABLY RELUCTANT TO SETTLE ON THE BASIS OF THE AGREEMENTS REACHED IN THE PUBLIC SERVICE(SEE REFTEL) BECAUSE A HIGH PERCENTAGE OF THE PUBLIC SERVICE EMPLOYEES DID NOT ACCEPT THE AGREEMENTS NEGOTIATED BY THEIR LEADERS. THIRTY-EIGHT PERCENT OF THE PUBLIC SERVICE WORKERS, 48 PERCENT OF THE MEMBERS OF THE DAG, 38 PERCENT OF THE POSTAL WORKERS AND 34 PERCENT OF THE RAILROAD WORKERS OPPOSED RATIFYING THEIR RESPECTIVE AGREEMENTS. THE LEADERS OF THE METALWORKERS WORRY THAT THEIR MEMBERS MAY NOT ACCEPT SIMILAR AGREEMENTS. THEY ALSO HAVE A SPECIAL REASON TO BE CONCERNED ABOUT REPUDIATION OF WAGE AGREEMENTS BY THE RANK AND FILE. THIS FALL THE METALWORKERS UNION WILL HOLD ITS TRIANNUAL CONVENTION AND WILD-CAT STRIKES THIS SUMMER WOULD UNDERMINE THE AUTHORITY AND PRESTIGE OF THE INCUMBENT LEADERS AND STRENGTHEN THE INFLUENCE OF THE LEFT WING, WHICH PLAYED A SUBSTANTIAL ROLE AT THE 1971 AND 1972 CONVENTIONS. END COMMENT.
HILLENBRAND

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